

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, June 24, 2020 – 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: Jacob Eapen
DATE: June 23, 2020
SUBJECT: Committee Meeting

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, June 24, 2020 via Zoom at 9:00 A.M.** The following is the Zoom information for the meeting:

Join Zoom Meeting
<https://ccp.zoom.us/j/99201608809>
Meeting ID: 992 0160 8809
+16465588656,99201608809# US (New York)

UPDATED AGENDA

AGENDA – PUBLIC SESSION

(1) 2020-21 Property and Casualty Insurance Renewal Package (Action Item):

Attachment A contains the summary of the insurance premiums and coverages based upon the insurance renewal process conducted by Willis Towers Watson, the College's broker. The insurance premiums decreased from \$952,044 in 2019-20 to \$948,149 in 2020-21.

Staff is requesting that the Committee recommend to the full Board the approval of the 2020-21 insurance program, with a total cost of \$1,003,149 including the broker fee.

(2) New Age Development Group Change Order One – Library & Learning Commons Project (Action Item):

This change order provides plywood underlayment for Phase 2 & 3 of the Library Learning Commons Project. This change order is required to provide a base for the new flooring, allowing the electric (ConnectTrac) to be run under the finish floor. This change includes over 12,700 square feet of plywood fastened to the concrete floor with tapcon screws and metal pins. The total cost is \$124,949. The contractor is New Age Development Group, the General Contractor for the Library Learning Commons project.

Phase 2 – Subflooring is required for floor elevation differences and glass wall mounting hardware at a cost of \$65,708.15. Phase 3 – Subflooring also is required for floor elevation differences and glass wall mounting hardware at a cost of \$38,473.25; as well as re-flooring the Library & Learning Commons Entrance Hallway from Bonnell to Mint (1st floor) at a cost of \$20,767.30.

Staff is requesting that the Committee recommend to the full Board the approval of the New Age Development Group Change Order One for the Library & Learning Commons Project in the amount of \$124,949.

(3) Hobsons’ Starfish Student Degree Planning and Predictive Analytics Reporting – 3-Year Renewal Agreement with Hobsons, Inc. (Action Item):

The College is proposing to enter into a 3-year renewal agreement with Hobsons, Inc. for services delivered through the Starfish software platform. The Starfish Enterprise Success Platform - Scale & Succeed guides students along their academic pathway to achieve their goals through academic planning and proactive advising that allows faculty and staff to identify, track, and engage students with the resources aligned to their specific needs. Includes academic planning, case management, intervention inventory, & student-level analytics tools, as well as, strategic consulting and professional services. The cost for the first year will be \$140,000. The cost for the second year will be \$152,000. The cost for the third year will be \$172,000.

Staff is requesting that the Committee recommend to the full Board that the College enter into a 3-year renewal contract with Hobsons, Inc. at a total amount of \$464,000 for services delivered through the Starfish software platform effective July 17, 2020.

(4) CSG Global Consulting Telephone Upgrade (Action Item):

The College has made significant investments in the existing phone systems infrastructure and capabilities that now requires additional features and functionality to address the “new normal” and working from home. There are several upgrades to the phone systems servers, applications and licensing that all need to be addressed to modernize and respond to new needs brought about by the recent pandemic.

There are 4 specific applications & servers that require upgrades.

a. Mobility Application – Avaya Workplace IX - NEW

Use case examples include remote use by Recruiters, Records and Registration, Financial Aid, and IT Support Desk & After hours- software application which runs on a desktop/laptop or mobile device.

b. Contact Center Upgrades – Avaya Aura Contact Center

Allows for contact center agents to work from ANY remote location, allows Supervisors to manage call centers remotely as if On-Site

c. Intelligent Callback Application - NEW

Allow for automatic callback of clients leaving voicemail or requesting appointments for On-hold callers in Call center ques

d. Call Pilot Telephony menus - Upgrade/migration

Rebuild analog menus to CM digital platform, remove application Security concerns around old Platform, move to Virtual VM servers

Staff is requesting that the Committee recommend to the full Board that the College proceed with upgrading its telephone system with CSG Global Consulting in the amount of \$142,599.

(5) International Students Living Abroad Temporary Tuition Discount (Action Item):

The Community College of Philadelphia currently has tuition rates as follows: \$159 per credit for Philadelphia residents; \$318 for other Pennsylvania residents living outside of Philadelphia; and \$477 per credit for non-Pennsylvania residents (including international students).

Part of the Community College of Philadelphia's strategic plan includes increasing the number of international students who diversify the College's student body and add to the cultural experience for all students. During this time of global COVID-19 pandemic, maintaining international student enrollment and recruiting new international students has become increasingly difficult. Additionally, both current and new international students are having difficulty obtaining and maintaining VISAs. In accordance with Section 1908-A, subsection (e) of the Public School Code of 1949, the College has requested that the Pennsylvania Department of Education approve a one-year tuition reduction for international students living outside of the United States and taking courses online who are unable to obtain VISAs to come to the United States for the 2020-2021 Academic Year provided the College's Board of Trustees vote in favor of the temporary discount. Since these students will not have access to the College's Main Campus and Regional Centers as the College partially opens up to provide in-person services, the College would like to offer these students a tuition rate of \$357.75 per credit. This rate is still \$39.75 per credit higher than the rate charged to in state students and \$198.75 per credit higher than the rate charged to Philadelphia residents.

The Pennsylvania Department of Education had indicated that it will approve this temporary tuition discount if approved by the College's Board of Trustees. The College Administration requests that the Business Affairs Committee of the Board recommend to the full Board a tuition rate for the 2020-2021 Academic Year of \$357.75 per credit for international students living abroad taking online classes.

EXECUTIVE SESSION

The Business Affairs Committee, along with Dr. Generals, Mr. Eapen, Ms. Zellers, Mr. Spiewak and Mr. Sawyer will go into Executive Session.

PUBLIC SESSION

The Committee will return to Public Session to vote on the 2020-21 College Budget

(6) 2020-2021 College Budget (Action Item)

Staff will review the 2020-21 budget and ask for Committee recommendation of the proposed budget to the full Board.

(7) Next Meeting Date:

The next meeting date **is scheduled for Wednesday, August 19th at 9:00 A.M.**

JE/lm
c:

Mr. Jeremiah J. White, Jr.
Dr. Donald Guy Generals
Mr. William Bromley
Mr. Michael Fohner
Ms. Marsia Henley
Mr. Gim Lim
Mr. Randolph Merced
Mr. Derrick Sawyer
Mr. James P. Spiewak
Dr. Lynne Sutherland
Victoria L. Zellers, Esq.

ATTACHMENT A
2020-21 Property and Casualty Insurance
Renewal Package

Introduction

The College insurance program is reviewed annually prior to the July 1 renewal with its broker, Willis Towers Watson (WTW). During the renewal strategy meeting held on February 12, 2020, it was decided that WTW would approach the incumbent carriers with the intent of securing identical coverage at premiums as close to expiring as possible and approach other selective carriers. After several years of a "soft" market, the insurance market has been hardening and was expecting premium cost increases higher than what has been experienced over the past several years. The COVID-19 environment has amplified the situation. WTW was successful in marketing several of the College's lines of coverage and securing lower rates with CM Regent; a program insurance carrier that writes for the PSBA; including 8 of the 14 Pennsylvania Community Colleges for the College's general liability, umbrella liability, property, crime and automobile lines of insurance coverage.

General Liability

United Educators (UE) quoted a renewal rate of \$222,965, which is 10.6% higher than the expiring premium. The College's general liability coverage has been with United Educators (UE) for the past eighteen years. Willis Towers Watson has opined that UE has the best General Liability (GL) policy form available in the higher education market, offering the most comprehensive coverage. As in past years, the College was granted a 6% premium rate credit based upon specific risk management initiatives that were undertaken during the year. WTW approached CM Regent. Their GL program closely matches the form that United Educators provided. Their premium is \$148,811, which represents a 26% reduction from expiring, and a 33.3% reduction from UE's quoted renewal. In the past, with United Educators, there was a \$25,000 deductible per claim with a \$100,000 cap per year. With the switch to CM Regents, there will no longer be a deductible.

Umbrella Liability

The College's umbrella liability coverage (\$25 million for any one loss) has also been with United Educators for the past eighteen years. United Educators offered a renewal rate of \$130,024 which is 32.6% higher than the expiring premium. CM Regent offered an Umbrella liability limit of \$20 million at a premium rate of \$57,964. They could not offer Umbrella liability limits beyond the \$20 million threshold. WTW was able to acquire an additional \$5 million in Umbrella liability coverage from Crum & Foster at a premium of \$18,820 bringing the total cost of the \$25 million coverage to \$76,784 which is 21.6% below expiring.

Workers' Compensation

The College was anticipating a rate increase of 7.4% based on changes in the experience modification factor. PMA quoted a rate of \$320,453, which is \$21,562 or 7.2% higher than the expiring premium of \$298,891. The College's PA experience modification factor for the New Year increased from .909 to 1.019, a 12% increase. The Human Resources Office and the College's Safety Committee continue to review all work-related claims and offer recommendations and training efforts where needed. The College's Safety Committee again

received re-certification from the PA Department of Labor; this automatically makes the College eligible for a 5% reduction in premium.

Property

The incumbent carrier, Affiliated FM, offered a renewal rate of \$231,828, which is \$43,284 or 23% higher than the expiring premium. This coverage was marketed, and the College received competitive pricing from CM Regent, who offered a renewal rate of \$197,892. The College will maintain a blanket limit of \$368,226,281 and maintain a deductible of \$25,000 per loss. This policy also provides \$7 million of business interruption insurance.

Educator's Legal Liability

The College's ELL policy has a limit of \$10 million per claim, provides protection for the College's Board of Trustees and the Foundation's Board of Trustees, employment practices liability, employed lawyer's liability, and professional liability for faculty and staff. United Educators (UE), the incumbent carrier, provided a renewal quote of \$150,666 or \$35,427 higher than the expiring premium. Because the College is switching its general liability and umbrella policy to another carrier, the 15% multi-line discount that had been applied in the past is not available. This has impacted the renewal rate for this line of coverage.

Automobile

The incumbent carrier, Philadelphia Insurance Co., offered a renewal rate of \$28,590, which is \$8,091 higher than the current year. WTW secured a quote from CM Regent at a premium rate of \$17,257 or \$3,602 less than the expiring policy. The automobile policy covers employees' liability while driving College-owned, rented, or hired vehicles as well as providing physical loss or damage protection (collision and comprehensive coverage) for the College's (9) vehicles.

Student Medical Malpractice Liability

CNA quoted a rate of \$7,423 that is \$702 less than the expiring premium. The number of students participating in clinical settings affects the cost of this insurance. Due to COVID-19 and Fall classes being held on-line, the number of students expected to be in clinical environments decreased from 760 to 571. There has been no rate increase for this coverage over the past several years. This policy provides \$1 million in coverage per claim and \$5 million in the aggregate to the College and students and faculty related to their activities in a clinical setting.

Crime

Travelers, the incumbent carrier's, provided a renewal rate of \$7,490 or \$1,709 higher than the expiring policy. Willis secured a quote from CM Regent at a premium rate of \$3,280; however, the policy only provides \$1 million in coverage versus the \$4 million that had been provided with Travelers. Willis was able to secure an additional \$4 million of coverage from Travelers at a premium of \$8,646, bringing the total cost to \$11,926. This policy provides the College with protection against 1st party (employee) theft and 3rd party theft and fraud for a limit of \$1 million. It also covers "social engineering fraud/ funds transfer" should an employee

unwittingly transfer College assets to a fraudulent third party due to deceptive activities. Both CM Regent and Travelers have offered options to increase their respective limits for Social Engineering to \$500,000, which would provide the College with \$1,000,000 in total limits. The additional premium to increase coverage would be a total of \$1,038 (\$524 for CM Regent and \$514 for Travelers). Staff recommends purchasing the additional limits as the frequency and severity of Social Engineering claims have continued to increase, and the premium that the additional limits are being offered at is minimal. In order to have General Liability and Umbrella coverage with CM Regent, they also require that a crime policy be purchased from them.

International Liability

This policy provides foreign-based general liability, automobile liability, and workers' compensation coverage as well as travel, medical and security assistance services for faculty and staff traveling abroad. This policy also includes kidnap and extortion coverage. The College purchased a three-year policy in fiscal year 2018-19 at an annual cost of \$2,356.

Security and Privacy Breach Expenses and Liability (Cyber Liability)

Chubb, the incumbent carrier, offered a renewal rate of \$12,228 or \$744 higher than the expiring policy. This insurance offers protection to the College if there were data security breaches or compromises of student and/or employee "private" information (as determined by federal and state jurisdiction). The carrier will provide forensic and legal assistance from a panel of experts to help determine the extent of the breach and the steps required to comply with applicable laws, include the following: notification to persons who must be notified under applicable law or on a voluntary basis; offer 12 months of 3-bureau credit monitoring to affected individuals; identify theft-related fraud resolution services for individuals enrolled in credit monitoring who become victims of identity theft; and extend coverage for theft, loss or unauthorized disclosure of information held by business associates as defined by HIPPA. First party benefits include protection for data recovery and business interruption, extortion threats, and regulatory defense and penalties. The policy also protects the College against 3rd party legal action for damages arising from the alleged breach (including defense costs). The College currently has a policy limit of \$3 million and offers notification and credit monitoring services for up to 250,000 affected individuals in addition to \$1 million of coverage for reputational loss in the event of a data security breach.

Broker Fee

The annual fee for 2020-21 is \$55,000 which is the same fee as the prior year.

Recommendation

College staff recommends that the College procure insurance as detailed below.

Coverage	Carrier	Expiring (2019-20) Premium	Renewal (2020-21) Premium
Property	CM Regent	\$188,544	\$197,892
General Liability (\$1M)	CM Regent	201,420	148,811
Automobile	CM Regent	20,859	17,257
Workers' Compensation	PMA	298,891	320,453
Umbrella (\$20M) - Excess Liability	CM Regent	98,030	76,784
International Liability	Navigators	2,356	2,356
Crime (\$1M) - Excess Crime	CM Regent	5,781	12,964
Educators Legal Liability (\$10M)	UE	115,239	150,666
Student Medical Professional Liability (\$1M)	CNA	8,125	7,423
Travel Accident	AIG	1,315	1,315
Security & Privacy	Chubb	11,484	12,228
TOTAL INSURANCE PREMIUMS		952,044	948,149
Broker Fee*	Willis Towers Watson	\$ 55,000	\$ 55,000
*Service Agreement runs - July 1, 2018 - July 2021			